

Fact Sheet

Module 9—Earned Income Credit

A tax credit is a dollar-for-dollar reduction of the tax. A refundable tax credit is a tax credit that permits a refund of the amount of the credit that exceeds the amount of the tax. The earned income credit is a refundable tax credit for certain people who work and whose earned income and adjusted gross income are under a specified limit. Many rules apply to the earned income credit. The credit is generally determined by the taxpayer's adjusted gross income, earned income, filing status, and the number of qualifying children, if any. If adjusted gross income is the same, taxpayers with more than one qualifying child receive the highest earned income credit, and taxpayers without a qualifying child receive the lowest earned income credit. The earned income credit reduces the tax. Eligible taxpayers can receive the earned income credit even if their tax is zero.

SCHEDULE EIC (Form 1040A or 1040)	Earned Income Credit Qualifying Child Information <i>Complete and attach to Form 1040A or 1040 only if you have a qualifying child.</i>	OMB No. 1545-0074 <div style="font-size: 24pt; font-weight: bold;">2003</div> Attachment Sequence No. 43								
Department of the Treasury Internal Revenue Service (99)										
Name(s) shown on return		Your social security number								
Before you begin: See the instructions for Form 1040A, line 41, or Form 1040, line 63, to make sure that (a) you can take the EIC and (b) you have a qualifying child.										
<div style="display: flex; align-items: flex-start;"> <div style="width: 20px; text-align: center; margin-right: 10px;"> </div> <div> <ul style="list-style-type: none"> If you take the EIC even though you are not eligible, you may not be allowed to take the credit for up to 10 years. See back of schedule for details. It will take us longer to process your return and issue your refund if you do not fill in all lines that apply for each qualifying child. Be sure the child's name on line 1 and social security number (SSN) on line 2a agree with the child's social security card. Otherwise, at the time we process your return, we may reduce or disallow your EIC. If the name or SSN on the child's social security card is not correct, call the Social Security Administration at 1-800-772-1213. </div> </div>										
Qualifying Child Information										
	Child 1	Child 2								
1 Child's name If you have more than two qualifying children, you only have to list two to get the maximum credit.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">First name</td> <td style="width: 50%; text-align: center;">Last name</td> </tr> <tr> <td style="height: 20px;"></td> <td style="height: 20px;"></td> </tr> </table>	First name	Last name			<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">First name</td> <td style="width: 50%; text-align: center;">Last name</td> </tr> <tr> <td style="height: 20px;"></td> <td style="height: 20px;"></td> </tr> </table>	First name	Last name		
First name	Last name									
First name	Last name									
2a Child's SSN The child must have an SSN as defined on page 43 of the Form 1040A instructions or page 47 of the Form 1040 instructions unless the child was born and died in 2003. If your child was born and died in 2003 and did not have an SSN, enter "Died" on this line and attach a copy of the child's birth certificate.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;"> </td> <td style="width: 25%; text-align: center;"> </td> <td style="width: 25%; text-align: center;"> </td> <td style="width: 25%; text-align: center;"> </td> </tr> </table>					<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;"> </td> <td style="width: 25%; text-align: center;"> </td> <td style="width: 25%; text-align: center;"> </td> <td style="width: 25%; text-align: center;"> </td> </tr> </table>				
b Child's year of birth	Year <i>If born after 1984, skip lines 3a and 3b; go to line 4.</i>	Year <i>If born after 1984, skip lines 3a and 3b; go to line 4.</i>								
3 If the child was born before 1985— a Was the child under age 24 at the end of 2003 and a student?	<table style="width: 100%;"> <tr> <td style="width: 50%; text-align: center;"> <input type="checkbox"/> Yes. <i>Go to line 4.</i> </td> <td style="width: 50%; text-align: center;"> <input type="checkbox"/> No. <i>Continue</i> </td> </tr> </table>	<input type="checkbox"/> Yes. <i>Go to line 4.</i>	<input type="checkbox"/> No. <i>Continue</i>	<table style="width: 100%;"> <tr> <td style="width: 50%; text-align: center;"> <input type="checkbox"/> Yes. <i>Go to line 4.</i> </td> <td style="width: 50%; text-align: center;"> <input type="checkbox"/> No. <i>Continue</i> </td> </tr> </table>	<input type="checkbox"/> Yes. <i>Go to line 4.</i>	<input type="checkbox"/> No. <i>Continue</i>				
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<input type="checkbox"/> Yes. <i>Go to line 4.</i>	<input type="checkbox"/> No. <i>Continue</i>									
b Was the child permanently and totally disabled during any part of 2003?	<table style="width: 100%;"> <tr> <td style="width: 50%; text-align: center;"> <input type="checkbox"/> Yes. <i>Continue</i> </td> <td style="width: 50%; text-align: center;"> <input type="checkbox"/> No. The child is not a qualifying child. </td> </tr> </table>	<input type="checkbox"/> Yes. <i>Continue</i>	<input type="checkbox"/> No. The child is not a qualifying child.	<table style="width: 100%;"> <tr> <td style="width: 50%; text-align: center;"> <input type="checkbox"/> Yes. <i>Continue</i> </td> <td style="width: 50%; text-align: center;"> <input type="checkbox"/> No. The child is not a qualifying child. </td> </tr> </table>	<input type="checkbox"/> Yes. <i>Continue</i>	<input type="checkbox"/> No. The child is not a qualifying child.				
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<input type="checkbox"/> Yes. <i>Continue</i>	<input type="checkbox"/> No. The child is not a qualifying child.									
4 Child's relationship to you (for example, son, daughter, grandchild, niece, nephew, foster child, etc.)										
5 Number of months child lived with you in the United States during 2003 <ul style="list-style-type: none"> If the child lived with you for more than half of 2003 but less than 7 months, enter "7". If the child was born or died in 2003 and your home was the child's home for the entire time he or she was alive during 2003, enter "12". 	<div style="border-bottom: 1px solid black; display: inline-block; width: 50px;"></div> months <i>Do not enter more than 12 months.</i>	<div style="border-bottom: 1px solid black; display: inline-block; width: 50px;"></div> months <i>Do not enter more than 12 months.</i>								
<div style="display: flex; align-items: center;"> <div style="width: 20px; text-align: center; margin-right: 10px;"> </div> <div> You may also be able to take the additional child tax credit if your child (a) was under age 17 at the end of 2003, (b) is claimed as your dependent on line 6c of Form 1040A or Form 1040, and (c) is a U.S. citizen or resident alien. For more details, see the instructions for line 42 of Form 1040A or line 65 of Form 1040. </div> </div>										

Rules for Everyone

Taxpayer must have valid Social Security number.

Taxpayer must have earned income.

Taxpayer cannot use the married filing a separate return filing status.

Taxpayer generally must be U.S. citizen or resident alien all year.

Taxpayer cannot claim an exclusion for income earned in a foreign country.

Taxpayer cannot have more than \$2,600 in investment income.

Taxpayer cannot be a qualifying child of another person.

Rules for Taxpayers with a Qualifying Child

To be a qualifying child, the child must meet the following tests:

Relationship

- son, daughter, stepson, stepdaughter, or descendant
- brother, sister, stepbrother, stepsister, or descendants
- eligible foster child, a child placed with the taxpayer by an authorized agency, whom the taxpayer cares for as the taxpayer's own child

Age

- Under age 19 or
- Under age 24 and a full-time student or
- Any age if permanently and totally disabled

Residency

- Lived with taxpayer in the United States for more than half of the tax year
- The taxpayer cannot be the qualifying child of another person.
- A person can be claimed as a qualifying child on one tax return only.

Additional Rules

- To claim the credit with a qualifying child, the child must have a Social Security number.
- If more than one taxpayer has the same qualifying child, they can choose which of them will claim the credit with that child. If both actually claim the credit with that child, the IRS will apply the tiebreaker rules.

Rules for Taxpayers Without a Qualifying Child

The taxpayer

- must be at least age 25 but under age 65.
- cannot qualify as a dependent of another person.
- must have lived in the United States for more than half of the tax year.